Liquid Protocol - Introduction

An introduction to the first protocol for liquidity providers on the ERC20 network, compatible with UNISWAP V2.

Liquid Protocol provides liquidity lending solutions to its users while generating a revenue for thyself, thus making a safe-and-guaranteed profit on deposits, over an undefined period of time.

There will be 3 main phases, which will be explained below:

- Liquidity provided by Treasury:
The coin's taxes will fund a Treasury which can be borrowed by users to use as liquidity for ERC20 tokens deployed on the UNISWAP V2 network.

- Liquidity provided by Lenders:
Lenders can fund and provide liquidity for someone to borrow, in exchange of the majority of the profit made.

- Liquidity marketplace:
People can buy/sell locked liquidities.

These utilities have been explained in the order they will happen.

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Our Vision

Describing the utility overall

Our vision is pretty straightforward.

We aim to provide anyone on the blockchain with liquidity to launch tokens, offering as many options as possible depending on what suits the user best.

We will be fully transparent on fund allocation, its usage, and revenue generated.

We want to become the main, and are arguably the first, reliable and secure, project-independent Liquidity provider, thus coming up with our name, Liquidity Protocol.

We have our users first in mind, as that's where the revenue will come from, which is what pushes our project to have real value besides just a cool token and idea.

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Borrowing Perks

Borrowing Perks

Important things to know as a borrower.

Want to borrow? Read this first.

We have a very specific set of rules/perks which we, as a company, will explicitly specify to our users, in order to avoid confusion and let them know what the involved costs are, for the usage of our utility, beyond our own revenue.

As we provide a smart contract related service, users will also have to account for the fees of dealing with such. The main things to consider are specified down below.

Things to consider, as a borrower:

- Borrowing does not include your contract deployment fees.
- Borrowing will not take away any tax from your project, nor do we force you to have any liquidity tax; however it's obviously preferred and will make it easier to borrow a position if you do so.
- Our platform offers safe contracts with everything you need for your token.
- The borrower can of course, not remove the liquidity, and has to choose an initial lock time when he borrows - time which is tied to a cost.
- Borrowing costs from Treasury are fixed and explained on its respective section. Borrowing from other people, however, follow the lender's own rules and rates.
- Airdrops are given at a fixed rate, which applies to every borrowing method. If you are getting a 5% airdrop over 1ETH of liquidity, you need to pay for the exact value of 0.05ETH.

Mechanics of liquid buyouts

In the case of a coin out-lasting the agreed-on period for a **borrowed** amount of time, the definition of the price for a buyout on its liquidity is defined as follows, between these two paths:

a) Keep **paying** for its borrowed amount.
b) **Buyout** the liquidity.

a) is pretty simple. Just pay the same **monthly** fee. However, most of the devs whom have a project last longer than a few months, will surely be able to afford a **buyout**, so let's focus on that.

b) Buying out the liquidity is a process which will be defined the following way:
Initial_liq+monthly+0.1% of volume.

So, for b), let's say a token started with borrowing 1ETH(initial_liq), and had 1M volume. In this case, the buyout charge will stand at 1+0.1(monthly)+**$1000**(0.1% of 1M).

It's important to note that, according to **UNISWAP V2**, Liquidity owner gets **0.25**% of volume accrued, meaning that $LP would be taking **$1000** out of **$2500**, thus leaving a profit on both the dev's end, and the protocol's.

For coins which want to **burn** their liquidity once it unlocks, we'll take **Initial_liq** + **monthly** price, so it'd be 1.1ETH for the aforementioned scenario. In this case, there won't be a profit for the dev when it unlocks, so it'd be unfair to charge them for the accrued value of a burned liquidity.

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Phases

Phases

Phases of the project.

The project will consist of the 3 phases as advertised on the Introduction. These are:

- Liquidity provided by Treasury:
- Liquidity provided by Lenders:
- Liquidity marketplace:

and their respective functionalities will be explained on this page's sections.

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- Liquidity provided by Treasury:

Liquidity provided by Treasury to the borrowers

Borrowing from the treasury means that the profits from liquidity go to our coin's treasury fully.
You can only borrow from the treasury, but of course, not lend to it. This will be our main utility and the first one to be released.
It also guarantees a fixed rate, meanwhile other upcoming options may vary depending on market conditions and lenders feelings.

These are the costs we've stablished:

Borrowing 1ETH for 1 month has a cost of 0.1ETH. The increase is linear until 4ETH. Afterwards, 0.07 ETH of cost is added for every borrowed ETH, following the formula $x = m*(b/10)$ if $b < 4$ and $x = m(b/10 + (b-4)*0.07)$ if $b > 4$, where b is the borrowed amount of ETH, m is the amount of months, and x is the cost.

No taxes are ever taken from the token.

- Liquidity provided by Lenders:

Liquidity provided by independent Lenders to borrowers

This will be the first update for our utility, and its second version. Lenders will just be people who decided to stake their ETH in our protocol, in exchange of generating 75% of the revenue that their lent liquidity generates.

On this functionality of the protocol, there are 2 possible sides to take. You can either be a lender, or a borrower. These are explained right below.

As a Lender:

You stake ETH, the liquidity of a borrower's token increases as per volume, you get the ETH back as the liquidity, while the protocol takes a 25% cut of the profits.

As a borrower:

You borrow ETH following the rate of whom lent it. They will never be able to take taxes from your token, as our protocol does not allow it for any lender; meaning that, besides borrowing the liquidity, you can just run your token as you would normally.

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- Liquidity marketplace:

A marketplace in which you can buy/sell locked liquidities

Why would someone ever buy a locked liquidity for its value?
Well, you wouldn't. Hence why sellers are encouraged (but not obliged) to set a value lower than the liquidity they are selling.

So, this is exactly what you would expect it to be. Let's imagine you have an urgent need of money. However, as a developer, some of your needed liquidity(money) is locked for another 2 months.

You cannot wait that time, so we, as a platform, offer a solution!
We'll provide a marketplace in which you can sell a locked liquidity to independent buyers, at the price you want.

Selling locked liquidities will enable both the seller and the buyer to benefit in different ways:

As a seller, you are getting money upfront for an amount which is still locked. You will most likely get a bit less, however, as it is your own rate, it will satisfy your needs and enable you to basically fund infinite launches, as you can just borrow, sell locked LP, then re-borrow. Or, not borrow at all, and just sell it to buy... whatever urgency you needed!

As a buyer, you are paying an amount of ETH today, to get a secured return on it, after a period of time. "Wow, multiplying money!" Yes, this is the closest you'll ever get. However, the money is locked liquidity (literally), so you will have to wait until you can use it. Make sure you are in no need of money in case an urgency happens!

So, in conclusion, this will allow people to invest money to get a determined specific return over the course of time, which is something never seen before on investing (as ROI's usually vary depending on market conditions).

This will be the third and final version of our utility.

We firmly believe this will be game-changing.

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Detailed how-to use

Describing the utility overall

TO-DO

The way borrowing works follows these steps:

- Choose a contract from our platform, then deploy it.
- Select the amount of ETH to borrow and the amount of time.
- Opt to have a % of airdropped tokens to your wallet (or not).
- If you agree with the presented fees, you can move forward and proceed to launch your token.
- You are given contract ownership. The contract locks liquidity automatically for the time you set. You are the owner of the contract. You are not the owner of the liquidity, but we are.
- No tax is taken from your token, ever. From now on, you're just running another ERC20 token, just like any other.

If you do not want to borrow only follow the first step mentioned above.

Besides, we have a quick video to guide you through the process:
https://twitter.com/i/status/1718719125650846192

Expected income

The rates of increase we estimate.

We estimate a yearly ROI of at least 150% over the course of a year. This is with the assumption of the profits being as little as 8% monthly.
This is a realistic return and it's higher than any legit staking/farm you can find, which is also sustainable longterm (as long as there's activity in the space and volume).

There's no tokens given out as rewards, nor ponzi-esque tokenomics. ETH is borrowed in the form of liquidity for a token, which can only increase overtime, then returned to the lender when it unlocks.

The expected ROI may vary, however, considering most passive income variations return at most 12% yearly, It is safe to say that our lowest expected returns may appear as an excellent investment opportunity for anyone willing to lend.

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Organization

Thresholds & ruling for revenue share.

The **revenue** share will be given depending on thresholds being reached.

These **thresholds** account for the following amounts:

- 20k
- 50k
- 100k
- 150k
- every 50k.

So, upon hitting one of these **thresholds**, once the funds are unlocked, the money is split between holders, following the **'stakeholder'** logic of 1:1, **proportional** to the user's holdings, meaning holding 1% will get you 1% of revenue.

We've decided to cut off the team's 25% cut for now, hence it will be a **1:1** % relation, not 1:0,75%.

In order to be **eligible** for this share of revenue, users will have to hold 250 $LP tokens, at least.

It's important to know that the revenue will **not** be claimed anywhere, instead, it'll be given directly to the holder's wallets, as an airdrop.

💰 Holders

How the utilities benefit our holders.

Holders will be able to enjoy a cut of the revenue generated by our Protocol, while also having exclusive perks around it.

From time to time (undeterministic) there will be chances to get special discounts on Treasury borrows, which only apply to holders. There will also be contests for prizes and nice rewards.

However, our main offer for holders is a share of our revenue.

Our revenue will be separated in the following way:

For the treasury:

- 50% will go back to the Treasury.
- 25% will go to holders
- 25% will go to team

For the other phases of the utility:

- 50% will go to holders
- 50% will go to team

Every single tax report will be made public for transparency reasons, allowing people to "do the math" in case of doubt. Team will also be always open to questions as long as done respectfully about the management of funds.